



## **Workforce Development Subgroup Interim Report**

### **Subgroup Activity:**

The Workforce Development Subgroup of the Governor's Economic Development and Job Creation Commission held their first meeting on May 27<sup>th</sup> in Richmond, where the members of the Subgroup discussed and approved 10 Vision Strategies.

Martin Scaglione, President and COO of ACT, Inc. presented at the first meeting. ACT is an independent, non-profit organization that provides a broad array of assessment, research, information and program management solutions in the areas of education and workforce development. Each year, ACT serves millions of people in high schools, colleges, professional associations, businesses and government agencies—nationally and internationally. ACT has offices across the United States and throughout the world.

The second presentation was by Mac McGinty, Vice President of the Community College Workforce Alliance and discussed the Career Readiness Certificate.

The Workforce Development Subgroup held its second meeting on July 7<sup>th</sup> at National College in Harrisonburg, Virginia. At this meeting, Subgroup members heard three different presentations.

First, Commissioner Courtney Malveaux from the Department of Labor and Industry (DOLI) discussed the role that DOLI plays in Workforce Development, in particular the Registered Apprenticeship Program and the benefits the Apprenticeship Program has on the workforce. We also heard from an employer and their apprentice about the benefits of the program.

Our second presentation was from Debbie Melvin with the Department of Business Assistance (DBA) who discussed the role that DBA plays in Workforce Development, primarily through the Virginia Jobs Investment Program. Ms. Melvin gave a summary of the history of the program, the scope of the program and future needs.

Our final presentation was from the Virginia Goodwill Network who discussed their impact on Workforce Development through the various programs they offer and also discussed a pilot program they are implementing at Dillwyn Correctional Facility to help with prisoner re-entry.

Furthermore, Subgroup members presented their progress, discussed their research and background knowledge they learned in the interim and gave initial recommendations on goals.

As of this report, the Workforce Development Subgroup has worked with the following stakeholders: Virginia Employment Commission, Representatives from the Department of Education, the Virginia Economic Development Partnership, Virginia Community College System, the Office of Richmond Mayor Dwight Jones, Virginia Manufacturers Association, National Federation of Independent Business, Youth Career Café, Virginia Council of Economic Education, the Center for Rural Virginia, Virginia's First Cities, Capital Region Workforce Investment Board and the Lynchburg Chamber of Commerce.

### **Analysis:**

Over the past two decades, America has been subject to qualitative and quantitative changes that have transformed the structure, functioning and rules of its economy. The result is a knowledge and idea-based economy where the keys to job creation and higher standards of living are innovative ideas and technology embedded in services and manufactured products. This new global, entrepreneurial, and knowledge-based economy is rooted in information technology and requires continuing education. It is an economy where risk, uncertainty and constant change are the rule rather than the exception.

The new economy requires major changes in the organization of industry, work, governance and politics. In particular, Virginia's educational and workforce development endeavors must be directly linked to and focused on the strategic role they play in support of the Commonwealth's economic development initiatives. In the past, economic development focused on attracting new businesses with financial incentives. Companies now require that a well-trained, educated workforce is readily available when making a decision to relocate or stay in the region.

While the goals are still the same in the new economy (e.g., increasing incomes, full employment), the means to achieve them have changed. The consensus is three main foundations will underpin strong, broad-based economic growth in the new economy: development of a ubiquitous digital economy, increased research and innovation and improved skills and knowledge of the workforce.

While Virginia has many workforce development programs, more needs to be done to ensure our workforce has the skills required to help Virginia maintain its competitive edge and to help Virginia families attain economic independence. Governor McDonnell has made it a top priority of his Administration that Virginia's community college workforce development programs become more streamlined and efficient, focusing its efforts on training students to obtain the high-quality jobs necessary to compete in today's global market.

A survey conducted by CNBC ranked Virginia number two as America's top state for doing business in 2010 behind Texas. The survey scored all 50 states - using publicly available data - on 40 different measures of competitiveness. Those metrics were separated into the ten broad categories:

- Cost of Doing Business
- Workforce
- Quality of Life
- Economy
- Transportation
- Technology & Innovation

- Education
- Business Friendliness
- Access to Capital
- Cost of Living

In Workforce, Virginia was ranked 9<sup>th</sup> behind Florida, Arizona, Georgia, North Carolina, South Carolina, Tennessee, Utah and Idaho, and just ahead of Colorado, Arkansas, Wyoming, Kansas, Alabama, South Dakota and Texas. These rankings were based on the education level of the states' workforce, and the number of available workers. The survey also looked at the relative success of each state's worker training programs in placing their participants in jobs. Additionally, in the category of Education, the survey ranked Virginia 13<sup>th</sup> based on traditional measures of K-12 education including test scores, class size and spending, and the number of state higher education institutions.

As part of its fact finding task, the Workforce Development Subgroup members will review nearly 40 "promising practices" from across the nation. The "promising practices" include youth and summer youth programs, adult and dislocated worker programs, community college programs, public-private partnerships, business engagement, transformation and innovation, accountability and transparency.

Through this review, the Subgroup's members want to ensure its recommendations integrate the best and most promising current concepts and practices. Keeping this in mind, the Workforce Development Subgroup will focus its attention on the need to improve skills and knowledge of the workforce, particularly in the following areas:

1. Build a stronger education pipeline to prepare graduates and expand incentives for continuous learning. Much has been done, but we need greater gains in the number of students completing high school, pursuing education and training beyond high school, and engaging in a culture of lifelong learning. America can still prosper in a world where its labor costs are higher than the competition's, but it cannot do so if the cheaper workers abroad are also better educated.
2. Connect workforce development to employers' workforce needs on a regional and industry basis. We need to assist local workforce investment boards and others involved in workforce development to create unifying visions and implement action plans for education and workforce development that are based on current and accessible information and are directly linked to the economic development initiatives in their regions.
3. Expand Virginia's network of comprehensive One-Stop Career Centers and ensure they provide a wide array of innovative, high-value, customer-focused programs and services to the business community, as well as enhance workers' ability to manage their careers.
4. Streamlining service delivery while strengthening governance and accountability in the workforce system. There are approximately 23 different workforce training programs spread across 9 different state agencies. State and local efforts should ensure that the maximum effort is made to eliminate duplication and unnecessary overhead, encourage the use of technology to reduce cost, and improve the coordination of agency, institutions, and programs involved in workforce training and development.

### **Vision Strategies:**

A skilled, flexible and prepared workforce is essential to driving Virginia out of the current economic situation and maintaining our global competitiveness. The Workforce Development Subgroup will help insure that Virginia has a skilled, diverse, motivated and adaptable workforce that creates opportunities for employees and supports the needs of employers.

### **Approach:**

- I. This Subgroup will examine information on current and future employment needs and examine what legislative, budget and policy changes are necessary to strengthen and align workforce, education and training efforts to meet those needs.
- II. Assist with development of a long term Workforce Development Strategic Plan, consistent with § 2.2-435.7.A.1., that benefits both employers and employees in the Commonwealth.

### **Strategies:**

- I. Effectively match education, training and workforce programs with projected workforce needs, particularly in energy, advanced manufacturing, information technology, health care and other priority economic development sectors, and use education and employment data to assist in the alignment of workforce programs.
- II. Increase student success at all levels (K-12 and postsecondary education).
- III. Improve transitions between secondary and postsecondary education, workforce training programs and employment.
- IV. Support the Governor's Higher Education Commission's effort to increase the number of Virginians enrolling in institutions of higher education and attaining degrees and other credentials that make them career-ready.
- V. Work with other Jobs Commission Subgroups and existing workforce commissions to consider the best way to organize Virginia's educational, workforce and economic development assets to increase efficiency and align goals.
- VI. Expand the ability of the community colleges to focus on creating more job-skill retraining and industry-specific courses for workers of all ages throughout their lifetime.
- VII. Promote, support and utilize private and non-profit training resources that lead to industry credentials and degrees and streamline and standardize the application and approval processes for becoming an approved training provider within Virginia.

- VIII. Guide individuals into education and training programs that best meet their goals and to prepare more individuals in science, technology, engineering and math disciplines, including preparing more teachers to enter career and technical education fields.
- IX. Promote and expand the use of workplace-oriented education and training, including the use of registered apprenticeships.
- X. Improve the use of dual enrollment between public schools and community colleges, thereby allowing more students to enroll in college-level courses for credit while still in high school.
- XI. Improve the working relationship with the business community to address its workforce needs.
- XII. Identify appropriate measures to monitor performance and achievement of education and workforce assets.

**Initial Ideas and Recommendations:**

The Subgroup developed and reviewed roughly 75 different ideas and recommendations related to the strategies listed above. Below is an initial list of items the Subgroup is considering.

- 1) Purchase, create or build upon a system(s) that will provide user-friendly and real time information to students and job seekers about demand occupations (including those that support regional and state development efforts) while capturing pipeline information to support economic development efforts.
- 2) Support and more widely implement programs that prepare students for higher academic success and encourage greater collaboration between secondary and postsecondary institutions and employers.
- 3) Replicate statewide the successful pathway programs, such as the one currently in place among Fairfax County Public Schools, Northern Virginia Community College and George Mason University.
- 4) Eliminate the distinction between credit and noncredit funding.
- 5) Encourage and facilitate business input into curriculum development to better reflect the skills needed for success in the workplace, including an emphasis on workplace behavior and attitude.
- 6) Promote the ability of the community colleges to provide occupational education and training.
- 7) Have the Secretary of Education and the Chancellor of VCCS identify the Secretariats and agencies responsible for delivering workforce programs, including the establishment

of goals around which federal and state workforce programs can align outcomes, actions, performance measures and budgets with the objective of streamlining the overall process.

- 8) Promote and report on workplace-oriented education and training including increased enrollment in high school programs leading to technical and advanced technical diplomas.
- 9) Promote more aggressively the apprenticeship programs, which provide a combination of structured on-the-job training and related classroom instruction at a community college or post-secondary technical training institution. There are many professions where the major portion of training and hence learning is accomplished on-the job.
- 10) Explore the creation of an initiative that would certify a community's readiness for work and continuing education and its effectiveness in aligning skills and workforce needs, define identifying regional industry mix, and demonstrate how readiness skills development aligns with workforce needs.
- 11) Prioritize industry sectors that have jobs on demand and direct training dollars to businesses that produce jobs.
- 12) Improve the usage of dual enrollment between public schools and post-secondary education institutions, thereby allowing more students to enroll in college-level courses for credit while still in high school.
- 13) Under the leadership of the Virginia Workforce Council, streamline the application and approval process for becoming a certified training provider for the Workforce Investment Act and develop standard and effective methods of results-measurements for regional Workforce Development Boards.
- 14) Direct the Workforce Council to prepare a report detailing reforms necessary to ensure services will aid in the achievement of measurable improvements in identified areas of employment and employment retention (as outlined in HB1041, 2010 General Assembly).
- 15) Promote, support, and utilize all private and non-profit training providers in formation and implementation of policy.

### **Next Steps**

In the interim, the staff and Chairman of the Workforce Development Subgroup have meetings with the Virginia Employment Commission and also plan to meet with the staff from the Higher Education Reform, Innovation, and Investment Commission and the Government Reform and Restructuring Commission. The staff will continue to meet with stakeholders to solicit ideas and examine other workforce development best practices.

The Subgroup will meet again on August 10<sup>th</sup> at the Peninsula Workforce Development Center in Hampton to further vet initial recommendations followed by our September meeting to finalize a list of recommendations to send to the Governor.